

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

CHAMBERS OF
J. FREDERICK MOTZ
UNITED STATES DISTRICT JUDGE

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May 30, 2006

Memo to Counsel Re: MDL-15863, RS Investment Subtrack
Parthasarathy v. RS Investment Management, L.P., et al.,
Civil No. JFM-04-3798

Dear Counsel:

I have reviewed the memoranda submitted in connection with PFPC, Inc.'s ("PFPC") and PFPC Distributors, Inc.'s ("PFPC Distributors") motion for reconsideration of my decision to deny their motion to dismiss. The motion will be granted in part and denied in part.

With respect to PFPC, which was a sub-administrator retained to "perform[] accounting, bookkeeping, and other administrative services for the [RS] Funds," (Compl. ¶ 23), nowhere in the complaint does the plaintiff provide any link between the company and the alleged improper market timing and late trading. Thus, because it is far from "self-evident" that PFPC played a central role in the alleged wrongful scheme, *In re Mutual Funds Invest. Litig.*, 384 F. Supp. 2d 845, 857 (D. Md. 2005), the claims against PFPC are dismissed.

I reach a different conclusion as to PFPC Distributors, however. The complaint alleges that the company was the distributor and principal underwriter of the RS Funds, and that it was consequently responsible for the contents of the registration statements and prospectuses. (Compl. ¶ 26). Because the plaintiff alleges that these documents contained material misrepresentations and omissions concerning market timing and late trading, (*id.* ¶¶ 79-84), I find that the plaintiff has sufficiently linked PFPC Distributors to the alleged wrongdoing for the

Despite the informal nature of this letter, it should be flagged as an opinion and docketed as an order. I ask that the parties submit a proposed order within two weeks reflecting the rulings made herein.

Very truly yours,

/s/

J. Frederick Motz
United States District Judge